

by ballot, and upon each ballot there shall be printed the words "For the Constitutional Amendments" and "Against the Constitutional Amendments," as now provided by law. Immediately after the election, all returns shall be made to the Governor of the vote for and against the proposed amendment, as directed by Article XIV of the Constitution, and further proceedings had in accordance with Article XIV.

Approved May 20, 1980.

CHAPTER 631

(House Bill 1172)

AN ACT concerning

Commercial Loans - False Statements

FOR the purpose of prohibiting a lender or broker from requiring that as a condition to receiving a loan the borrower agrees to make a statement that the loan is a commercial loan when it is not in order to receive certain exemptions from the law of usury; and ~~making--a violation--subject--to--the--usury-provisions~~ providing certain penalties for violations of this Act.

BY adding to

Article - Commercial Law
Section 12-106.1
Annotated Code of Maryland
(1975 Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Commercial Law

12-106.1.

(A) A PERSON MAY NOT REQUIRE A BORROWER, AS A CONDITION TO RECEIVING A LOAN, TO MAKE ANY FALSE OR MISLEADING STATEMENT OR CHARACTERIZATION THAT A LOAN IS A COMMERCIAL LOAN UNDER §§ 12-101(C), 12-103(E), OR 12-105 OF THIS SUBTITLE IF THE LOAN IS NOT A COMMERCIAL LOAN.

~~(B)--ANY---FALSE---OR---MISLEADING---STATEMENT---OR CHARACTERIZATION--PROCURED-BY-A-LENDER-OR-BROKER-IN-VIOLATION OF--SUBSECTION--(A)--OF-THIS-SECTION-IS-CONCLUSIVE-PROOF-OF-A VIOLATION-OF-THE-USURY-PROVISIONS-OF-THIS-SUBTITLE-~~